App. F. IX-4

Previous References

193 5
(Legis.

File No. 46-35

Serial Nos. 141-14

Letter References.

PRESERVED

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 2

Part B for February 1937

SUBJECT.

Reciprocal arrangement between the civil and military Stations of Bangalore and the State in the matter of taxes and tolls on motor vehicles.

WD .0418—GPB—22,500—29-8-36

M. Gurgaon
11/2/37

Reciprocal arrangements between the C & M. Stn and Mysore Govt. Re. Taxes & Tolls on Motor vehicles

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

Serial No.

Do letter no 7. 1176-35 | R.O. II & 21.1.1936 from the Secy to the Resident stating that the C & M station will lose its toll revenue as a consequence of the reciprocal arrangements and requests that in the circumstances the question of compensation may be considered and the view of the Mysore Govt. be intimated.

Submitted for kind perusal and orders.

B
27.1.36

1. In the D.O. the Secretary to the Resident states that under the ~~new system of~~ proposed permanent reciprocal arrangements, the C & M. Station incurrs loss of revenue as follows:-

(i) Loss of tolls on cars, other than those of Bangalore City, which were hitherto paying tolls at C & M. Station and which under the new arrangements will be exempt from tolls. The loss on this account is estimated at Rs.4200/- per annum.

(ii) Loss of municipal tax on "foreign" motor cars belonging to residents of Madras and other places who may live in C & M. Station for more than 15 days. Such cars would have paid the municipal tax before but would now be exempt from tolls and taxes, as they should

GENERAL SECRETARIAT
30 JAN 1936
RECEIVED

NOTE.—Contn. Sheet.

WD 03594—GPB—30,000—13-7-35

pass through Mysore territory before reaching C & M. Station and would thus have paid the Mysore Provincial tax.

The Residency wish to know the views of the Government on the possibility of our making good the loss of their revenue to C & M. Station.

2. It is true that the C & M. Station loses some revenue under the two heads specified above. The reciprocal arrangements contemplate that the C & M. Station would increase their existing rates of taxes on motor lorries, motor cabs and motor buses, &c. The realisation from this will no doubt be much more than the loss referred to, though for want of information as to the exact number of vehicles of the C & M. Station, it is not possible to estimate the probable amount of increase. There is thus no possibility of there being any loss on the whole to the C & M. Station.

3. Apart from this, the Government stand to lose a lot of revenue under the proposed reciprocal arrangements. They lose

(i) municipal tolls on motor cycles and motor cars of the C & M. Station.

(ii) tolls on lorries at State Fund and District Fund toll-gates in the area for which the lorry holds the permit.

Serial No.

Details are not available to show what exactly the loss from these sources will be. There is however no doubt that the loss to the Government will be much more than the loss of Rs.4200/- of the C & M. Station. If, therefore, it is a question of compensation for loss, it will be the C & M. Station that will have to compensate us if a balance sheet of actual loss and gain is compiled.

4. In offering the tentative reciprocal arrangements to the C & M. Station, the Government were not guided by any considerations of financial advantage. In view of the position of the C & M. Station and of its intimate relation, it was considered that a scheme of complete reciprocity in the matter of taxes on motor vehicles would be for mutual advantage. The Government did not therefore allow considerations of some financial loss to them to come in the way of such an arrangement, especially as the principle of complete reciprocity on the basis of equal taxes and tolls had already been accepted by the Government and the Residency.

Any system of reciprocal arrangement must involve some re-adjustment, which means loss under certain heads and advantage in others. The entire arrangement has to be viewed as a whole, and not losses or gains under individual items. Viewing this arrangement in this light, there is no doubt that the C & M. Station stand

WD 03594—GPB—30,000—13-7-35

to gain much under the new arrangement. Instead of the present reciprocity within the limits of the City they get the advantage of reciprocity throughout the State. If the existing arrangements had been continued, somewhat on the lines of the temporary arrangement come to, the State would have stood to gain financially. If, therefore, the Residency think that the new permanent arrangements are not to their advantage, they may be informed that the Government have not particular preference to the proposals made and that they shall be prepared to continue the existing arrangements of the City and the C & M. Station reciprocity suitably modified to suit the new system. This will mean that in the City area, the Cantonment vehicles will be free of taxes and municipal tolls in consideration of similar concession in Cantonment area to City vehicles. Beyond this, the C & M. Station vehicles will be liable to our rates of taxes. If this system is preferred by the C & M. Station, we may adopt it, as financially, it is more advantageous. Anyway, it may, if approved, be kindly made clear to the Residency that the Government cannot on principle entertain any proposal for compensation.

OFFICE OF THE FIRST MINISTER OF COUNCIL 31 JAN. 1936 No. 5382

First Member
Member
The Secretary

Please put up

Reciprocal arrangements with Czechoslovakia re. motor vehicles
Compensation to C & M Stn for loss of Toll revenue - 5

General and Revenue Secretariat	File No.	of 193 .	[App. F. III—2

Serial No.

Draft reply is submitted for appl
First Member
Finance
Genl. Secy.

HMR 24/2
25/2
HMR 26/2

Issue
SPM 10/2
HMR 10/3

GENERAL SECRETARIAT
25 FEB. 1936
668

OFFICE OF THE
PRIVY COUNCIL
26 FEB. 1936
6126

Issued no pol. 939 of 11.3.36 to the Secy to Resd States that the System of reciprocity in respect of taxes & tolls ~~are~~ is of mutual advantage & as such Govt feel that no question of compensation will arise.

Sd/- for perusal after issue cover the Secy signature
11/3

for perusal letter of 7/3/36 issued to Residency
MD 14/3

DEWAN'S OFFICE
14 MAR. 1936
No. 5573

Dewan

MD
14-3-36

MD 16/3
HMR 16/3

This will be recorded now.
B/16/3

B
16/3

MD
10/2/37

NOTE.—Contn. Sheet.

WD 03594—GPB—30,000—18-7-35

U R G E N T.

4498 P — 35

D.O.No.F.1176-35.
R.O.II.

Bangalore,
21st January 1936.

Reciprocal arrangements between the Civil and Military Station of Bangalore and the Mysore Government in the matter of taxes and tolls on motor vehicles.

S'I S'S' 22-1-36

XXX

Prot. 21-1-36.

Legs 46-35-141

My dear Mr. Ramanathan -

Sub Personal 21-1-36.

I am desired to acknowledge with thanks the receipt of your demi-official letter No.Pol.763, dated the 17th January 1936. The proposals of the Mysore Government have been communicated to the Collector and President, Municipal Commission, Civil and Military Station; and a further communication will be addressed to you on receipt of his reply.

Meanwhile I am to invite the views of the Mysore Government on another point which has arisen in the same connection. In the report of the discussions which was forwarded with my demi-official letter No.F.1176-35/R.O.II, dated the 25th December 1935, it was noted that the question of compensation for loss of toll revenue was not for the moment pressed by the Civil and Military Station representatives. Further examination of this question shows, however,

however, that it will have to be taken into consideration. The following extract from a letter from the President, Municipal Commission explains the position.

"The only motor vehicles exempt from payment of tolls previously were those carrying either the Civil and Military Station or the Bangalore City (Municipal) license. With the substitution of the Mysore Provincial license for the old Municipal one, and the compelling of all cars (other than Civil and Military Station ones) to carry such a license before being permitted to use the roads in the Mysore State, the Civil and Military Station will incur loss of revenue as follows:-

(1) Toll revenue on outside cars (all cars other than those of Civil and Military Station and Bangalore City) passing through the Station by way of Hosur road, Domlur road and Old Madras road toll gates, which have taken out the Mysore Provincial License before the cars reach these toll gates.

(2) Taxes from some of the cars referred to in (1) above, which will ordinarily be kept in the Station and

which

which would become liable to the Station Municipal tax after a stay of 15 days.

Regarding (1). - From a rough computation of the revenue derived from tolls, I think I shall not be far outside the mark in estimating the loss at Rs.4,200/- approximately.

Regarding (2). - At present motor vehicles which come into the Station and are kept here for 15 days or more are liable to pay the Station Municipal tax for the half year. I presume that even if the proposed reciprocal arrangements are brought into effect, the present rules about residence would be applicable and the Station might insist on its license being taken. But in that case a visitor to the Station from, say, Madras will have to take a Mysore Provincial license on entering the State and another license in the Station if his stay is 15 days or more. This will be a great hardship inflicted on the motoring public. To mitigate the existing hardship the Commission was

about

about to consider proposals for the introduction of a short term permit system on the lines of the Madras proposals for the convenience of visitors to the Station. But now since all cars coming into the Station from outside have to pass through the Mysore State, and, as a matter of course, have to take out Mysore License to be able to do so, the proposal cannot usefully be pursued."

At the time of the Conference on the 20th December the Civil and Military Station representatives had not had time to assess the full effect of the new arrangements, which will involve the loss of practically all income from tolls in the Civil and Military Station; for every "foreign" car which now enters the Civil and Military Station from outside must already have obtained a Mysore Provincial license which will entitle it to be exempted from payment of tolls, if the reciprocal arrangement is effected. The Civil and Military Station would be most reluctant to refuse to enter into reciprocity since to insist upon levying its taxes on cars crossing the Station limits would entail unfair hardship on

the

the motoring public. They cannot afford, however, to forego the whole of their income from tolls without receiving some equivalent compensation; and I am to enquire what are the views of the Mysore Government on the possibility of making good the loss of revenue to the Station under this head.

Yours sincerely

A. V. Ramanathan, Esq., B.A.,
Chief Secretary to the Government of
His Highness the Maharaja of
Mysore.

AR.
as.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

Bangalore, Dated, 10th March 1936

D. O. No. Pol 939/Legis 4/6-35-142

Subject:- Reciprocal arrangements between the Civil and Military Station of -- Bangalore and the Mysore Government in the matter of taxes and tolls on motor vehicles.

Dear Major Edwards,

I am desired to refer to your D.O. letter No.F.1176-35/R.O.II, dated 21st January 1936 on the above subject in which you state that, under the proposed reciprocal arrangements, the Civil & Military Station stand to lose about Rs.4200/- per annum on account of the loss of tax on some "Foreign" cars and loss of tolls on the motor vehicles of Mysore, other than those of Bangalore City and ask for the views of the Government in the matter of making good this loss and to say in reply as follows:-

There will be some loss of revenue as stated by you on this account; but in view of the fact that the proposed rates of taxes on motor cabs, lorries and buses will be on a higher scale than those in force at present, and will yield additional revenue to the Civil & Military Station, it is quite probable that the small loss will be made up by such additional revenue. Apart from this, the Government of Mysore themselves stand to lose some revenue by the reciprocal arrangement. Under this arrangement, the Civil & Military Station motor cars can use Mysore roads free of all Municipal tolls throughout the State. On other vehicles, e.g., motor lorries, the Government lose the tolls at State Fund toll-gates in the

area

7

area in which such vehicles are permitted to ply. The loss of revenue from these items will probably amount to a figure much higher than the loss to the Civil & Military Station referred to by you.

In making the present tentative reciprocal arrangement, Government were guided by the principle of complete reciprocity and they were aware that this might involve some financial sacrifice. As stated in their letter No. Pol.400 dated 3rd October 1935, Government thought that, in view of the position of the Civil & Military Station in the State, complete reciprocity in the matter of these taxes was for mutual advantage. Such an arrangement must necessarily involve some re-adjustment which may mean loss in certain respects and advantage in others. The arrangement has to be judged as a whole and on this basis, the Government feel that the system is of mutual advantage to both parties and that no question of any compensation will arise in this case.

Yours Sincerely.

Major C.G.N. Edwards, I.A.,
Secretary to the Hon'ble the
Resident in Mysore, Bangalore.